

**Michigan Joint Select Committee on the Flint Water Public Health Emergency  
Flint Public Hearing  
Tuesday, March 29, 2016 at 10:00 a.m.  
Northbank Center, UM-Flint**

**RESPONSES FROM DAYNE WALLING, FORMER FLINT MAYOR**

The following are responses to the committee's questions. Additional documents are attached for the record and as requested including the two letters I sent to the Governor, the financial projections provided for Flint to stay with DWSD in the interim of switching to KWA, and the testimony I provided to the U.S. House of Representatives Committee on Oversight and Government Reform.

**Questions from Chairman Stamas**

- 1. If we go back to the time when the discussion first started about switching away from Detroit water, how that conversation got started and who started that conversation? How did it get to the point where the City Council made the decision?**

The City of Flint's contract with Detroit Water and Sewerage District (DWSD) for water expired about a decade ago. When I came into office in August 2009, the contract was automatically renewing each year and Flint was paying a higher cost by not being under the new DWSD model contract. City Council and I initiated a process to publicly explore all available options for Flint's long-term water. There were three potential options for Flint's long-term water: DWSD, the Flint River, and KWA. Prior to the appointment of an EM, analyses were conducted in 2011 to compare the three options. EMs Mike Brown and Ed Kurtz continued to consider the options for Flint's long-term water supply. In 2013, Ed Kurtz requested guidance from City Council and me about moving forward with his determination that KWA was the best option. City Council and I expressed support for KWA in March 2013. After Treasurer Dillon and Governor Snyder gave the ok, EM Kurtz signed a contract with KWA in April 2013.

The concept for a new Mid-Michigan regional pipeline dates back to the 1960's, and was pursued by the Stanley administration in the late 1990's. Flint has a long history of believing DWSD overcharged for water – something that I believe is well established and due largely to the distance and elevation costs.

- 2. At what time did you first become aware that the city would need to do more corrosion treatments because of the chemistry of the Flint River water? Who provided that analysis and what happened to it?**

Flint's Public Works Director Howard Croft notified me in September 2015 that Flint received a letter from the MDEQ with the requirement to optimize corrosion control in August 2015. Prior to that, the Veolia report in March 2015 referenced adding phosphate corrosion control as a way to improve the color and quality of the water. At that time, the focus was on reducing the TTHMs and a priority was put on installing activated carbon filter. Phosphate corrosion control was also in 2011 Rowe report outlining general treatment processes and costs expected to be necessary if the Flint River was a permanent long-term water supply. The appointed EMs, Kurtz, Brown and Darnell Earley were directing Flint's Public Works during the time the treatment design and budgets were put in place in June 2013-April 2014. They, along with DPW Director Howard Croft and Utilities Administrator Daugherty Johnson, may know how prior reports were used. I do not.

**3. There were reports that people raised complaints early to city offices in October - November of 2015, and they were ignored. How would you answer them?**

There were a large number of resident complaints about Flint's water in the summer and fall of 2014 after the switch. It was my understanding at that time that the problems with odor and color and other problems with the water were the result of an ageing infrastructure. But the information being shared with me by the EM and DPW Director was limited. I was not made aware of the TTHM spike and over-chlorination until the end of October. At a meeting with MDEQ I was assured that the appropriate steps had been taken for the water to be safe and the notice was required by the high quarterly average. I feel that local citizens, including myself and City Council members, were not informed of the full problems and risks.

**4. Did the city make any mistakes?**

Yes. The Flint Water Task Force report accurately states the City's mistakes.

Bear in mind that the "City" was under State control. The power of the Mayor and Council were eliminated, except for those specific duties assigned by the emergency managers under PA4 and PA436 and non-financial matters under PA72. In this case, an emergency manager unilaterally selected and hired the DPW director and members of his staff, set the budgets, and made all purchasing decisions. .

**5. How much responsibility lies with the locals and how much with the State? How would you characterize that?**

The Flint Water Task Force report accurately characterizes the responsibilities.

6. Do you recall a July 2011 report from the engineering firm Rowe "Analysis of the Flint River as a Permanent Water Supply for the City of Flint," at was completed for you in your capacity as Mayor. That report noted that treating river water on a daily basis was going to be challenging and more expensive than treating lake water, but concluded it could be done if improvements to Flint's water treatment plant were made:

"Although the water treatment plant has been maintained and operated as a backup water supply, there have been numerous changes in regulations and standards since the water treatment plant last supplied water on a continuous basis," the Rowe report noted. "Preliminary analysis indicates that water from the river can be treated to meet current regulations; however, additional treatment will be required than for Lake Huron water." What did you do to follow up on that report?

The Rowe report established that the costs and complications of using the Flint River as a long-term water supply resulted in the river being dropped from consideration.

7. On April 17, 2013 the DWSD announced it would stop selling water to the City of Flint in April 2014. The City failed to negotiate a contract extension, which would have consisted of a 10% extra charge by DWSD. You are reported to have said at that time that the two cities "couldn't come to terms. That wasn't possible." Why was that?

My comment was in regards to the use of DWSD long-term as I had been involved in the long-term water decision. I always maintained that Flint and Genesee County would have stayed on the Detroit regional system long-term if an alternative contract structure was developed so that we weren't required to pay such a high cost based on the distance and elevation factors in the model contract. Multiple alternatives were put forward by Flint, Genesee County and KWA to DWSD that I believe were mutually beneficial. DWSD continued to require a new model contract with the distance and elevation costs, as well as the variable annual rates. These factors created much higher uncertainty and costs over 30 years compared with the KWA system's water contract.

At the same time, I did not think the option of returning to DWSD in the interim had been given enough consideration by the EM. In early January 2015 I called for further dialogue and research—which was rejected by the EMs Earley and Ambrose.

In fact, the quote above was what I provided to the Flint Journal in January 2015 after a City Council meeting included discussion of returning to Detroit. The article, quoted below, also includes:

DWSD spokesman Greg Eno said in an email to MLive-The Flint Journal that his agency "has not put forth any dollar amounts that would be needed in order to temporarily (or otherwise) be a supplier of water to the city. "However, if the city of Flint would like to

open a dialogue, DWSD would be more than happy to engage in those talks," the statement says.

Although Flint Mayor Dayne Walling said he doesn't believe Detroit is a part of the solution to Flint's water challenges, he said he's willing to consider any option that leads to a "safe, secure and affordable water source."

"I'm open to further dialogue and research," Walling said. "It's healthy for a community to have discussions about important issues" -- even though the two cities couldn't agree on a contract extension less than a year ago.

[http://www.mlive.com/news/flint/index.ssf/2015/01/flint\\_report\\_says\\_going\\_back\\_t.html](http://www.mlive.com/news/flint/index.ssf/2015/01/flint_report_says_going_back_t.html)

**8. On January 16, 2015 the EM responded to a letter from the DWSD to decline the offer. It was said that the DWSD proposal would increase water costs at least \$12M/year at the proposed rates + deferring requires infrastructure improvements, such as treatment plant upgrades. Do you recall saying that you didn't believe Detroit would be part of the solution to Flint's challenges? Why was that?**

I did not have complete and factual information on Flint's water in January 2015. I understood the Flint water and Detroit water were comparable based on assurances from MDEQ. As noted in the Flint Journal article above, I called for further dialogue and research because my opinion could change with more information.

As stated, Flint has a long history with DWSD and Flint's dissatisfaction goes back decades. Flint's water costs continued to escalate and were far higher than southern communities. While Flint was DWSD's largest customer, it had no representation on its board and no ability to curtail escalating costs.

**9. On January 18, 2015 you wrote the Governor a letter conveying serious concerns about water quality, asking for the Governor's support in addressing the problem. Please provide a copy of that letter and any response you received.**

The letter is attached and the text of the body of the email is below. In response I had a call with Chief of Staff Dennis Muchmore and then a conference call with Governor Snyder. It was a productive call and COS Muchmore commented that my plan would be used as the playbook to address the problems. It was shared that Flint would likely receive \$2 million from the Fiscally Stressed Cities Fund and that would hopefully be finalized and announced shortly, which it was. I advocated for the loan forgiveness or replacement revenue to relieve Flint of the obligations to the State's Drinking Water Revolving Loan Fund. COS Muchmore expressed concern about the State paying \$20 million. This was referred to the EM and one payment was shifted 3 months later.

I also asked the Governor to come to Flint and meet with citizens. Governor Snyder did not respond with interest. His next visit was in October when the funding for Flint to return to DWSD was announced—and this was not open to the public. In the meantime, I sent a second letter to the Governor asking for an additional \$10 million for lead service line replacement based on the concerns raised by Dr. Edwards' research. I received no response to the second letter. The letter is attached and the text of the body of the email is below.

----- Forwarded message -----

From: Dayne Walling <[dwalling@cityofflint.com](mailto:dwalling@cityofflint.com)>

Date: Mon, Sep 14, 2015 at 4:16 PM

Subject: Flint Water Request

To: [governoroffice@mi.gov](mailto:governoroffice@mi.gov), [rick.snyder@mi.gov](mailto:rick.snyder@mi.gov)

Cc: Joshua Freeman <[jfreeman@cityofflint.com](mailto:jfreeman@cityofflint.com)>, [senjananich@senate.mi.gov](mailto:senjananich@senate.mi.gov), "Hollins, Harvey (GOV)" <[hollinsh@michigan.gov](mailto:hollinsh@michigan.gov)>, "Muchmore, Dennis (GOV)"

<[muchmored@michigan.gov](mailto:muchmored@michigan.gov)>, Phil Phelps

<[philphelps@house.mi.gov](mailto:philphelps@house.mi.gov)>, [SheldonNeeley@house.mi.gov](mailto:SheldonNeeley@house.mi.gov), "Hedman, Susan"

<[Hedman.susan@epa.gov](mailto:Hedman.susan@epa.gov)>, Natasha Henderson <[nhenderson@cityofflint.com](mailto:nhenderson@cityofflint.com)>

Dear Governor,

I am renewing my call for additional funding to address Flint's water challenges. While significant progress has been made, with the fiscal stress and pending lawsuits against the City, there is a gap in the funds necessary to meet the adopted capital improvement plan and to respond to new needs with lead pipes. Attached is a letter of request. I thank you in advance for your willingness to review.

Sincerely,  
Mayor Walling

--

Dayne Walling

Mayor, City of Flint

City Hall, 1101 S. Saginaw St.

Flint, MI 48502

810-766-7346

[mayor@cityofflint.com](mailto:mayor@cityofflint.com)

[www.cityofflint.com](http://www.cityofflint.com)

follow me on twitter at <http://twitter.com/mayorwalling>

From: Dayne Walling <[dwalling@cityofflint.com](mailto:dwalling@cityofflint.com)>

Date: Mon, Sep 14, 2015 at 4:16 PM

Subject: Flint Water Request

To: [governoroffice@mi.gov](mailto:governoroffice@mi.gov), [rick.snyder@mi.gov](mailto:rick.snyder@mi.gov)

Cc: Joshua Freeman <[jfreeman@cityofflint.com](mailto:jfreeman@cityofflint.com)>, [senjananich@senate.mi.gov](mailto:senjananich@senate.mi.gov), "Hollins,

Harvey (GOV)" <[hollinsh@michigan.gov](mailto:hollinsh@michigan.gov)>, "Muchmore, Dennis (GOV)"  
<[muchmored@michigan.gov](mailto:muchmored@michigan.gov)>, Phil Phelps  
<[philphelps@house.mi.gov](mailto:philphelps@house.mi.gov)>, SheldonNeeley@house.mi.gov, "Hedman, Susan"  
<[Hedman.susan@epa.gov](mailto:Hedman.susan@epa.gov)>, Natasha Henderson <[nhenderson@cityofflint.com](mailto:nhenderson@cityofflint.com)>

Dear Governor,

I am renewing my call for additional funding to address Flint's water challenges. While significant progress has been made, with the fiscal stress and pending lawsuits against the City, there is a gap in the funds necessary to meet the adopted capital improvement plan and to respond to new needs with lead pipes. Attached is a letter of request. I thank you in advance for your willingness to review.

Sincerely,  
Mayor Walling

--

Dayne Walling  
Mayor, City of Flint  
City Hall, 1101 S. Saginaw St.  
Flint, MI 48502  
[810-766-7346](tel:810-766-7346)  
[mayor@cityofflint.com](mailto:mayor@cityofflint.com)  
[www.cityofflint.com](http://www.cityofflint.com)  
follow me on twitter at <http://twitter.com/mayorwalling>

**10. On July 1, 2015: EPA Region 5 Administrator Susan Hedman sent you an email to that stalled efforts by EPA water quality expert Del Toral warning that the City's water likely was contaminated by lead. What is your understanding of how Mr. Del Toral's efforts were "stalled?" What did you do with that information?**

I contacted Dr. Hedman on June 30th and expressed that, "We certainly want to work to address any concerns that have arisen as the City's water treatment, distribution system, and testing processes have been examined."

Her response was that, "The preliminary draft report should not have been released outside the agency. When the report has been revised and fully vetted by EPA management, the findings and recommendations will be shared with the City and MDEQ and MDEQ will be responsible for following up with the City."

The emails were part of the Virginia Tech Freedom of Information Act requested posted here: <http://flintwaterstudy.org/2015/10/new-freedom-of-information-act-foia-request-documents-answer-our-earlier-question-where-is-the-us-epa/#mayor>

This was another missed opportunity. Instead of relaying that recommendations would go through the MDEQ, the EPA should have made clear the seriousness of lead's threat to public health.

**11. The over-chlorination, how did that happen? Was that a local mistake or was that again something that was coming down from the DEQ?**

The DPW Director shared that because the Flint water treatment design did not include the activated carbon filter, chlorine was needed to address the organic matter in the water. MDEQ worked with Flint personnel on the treatment design and approvals while Flint was under a state appointed EM. I was not informed until after the fact that the high level of chlorine caused TTHM contamination.

**12. Is following these rules regarding testing the responsibility of the State or is it the responsibility of the local officials and staff who run the water treatment plant?** Municipal DPW officials are responsible for following the protocols of the state regulators who have primary responsibility under the federal Safe Drinking Water Act.

**13. Looking back, is there anything you would have done differently in this situation?**

The water crisis has been a catastrophe and I regret opportunities were missed at many points to identify and correct the water problems fully. Flint didn't stay on DWSD as an interim source while the KWA pipeline was being built. This was the plan and projection presented to myself and City Council in March 2013 by the EM-appointed Finance Director Jerry Ambrose. Flint should have stayed on DWSD as an interim source as Genesee County did.

The State and EMs' decisions about Flint water would not have been made by City Council and myself in the same way. When the manager's decisions became known, I expressed my concerns internally about the switch including the community's perception of the river as polluted, the short timeline to accomplish such a critical change in a vital public service, and the limited staff capacity and inexperience that Department of Public Works leadership had with running a full-time water treatment plant. In retrospect, I should have pushed for an independent and comprehensive review of the river plan in 2013. Better decisions along the way could have also averted this tragedy. I recommend the State establish a completely independent Flint Water Commission chaired by Dr. Marc Edwards to assess the safety of the water since the public will not have confidence in EPA, MDEQ or Flint DPW conclusions.

**Question from Representative Irwin:**

**1) In any of the discussions you were party to regarding switching Flint away from DWSD water, did anyone mention the re-structuring of DWSD as part of Detroit's bankruptcy? Did anyone mention what effect losing Flint as a customer might have on DWSD or on the re-structuring? Please give any details you remember of discussions on these topics.**

I talked with Genesee County Drain Commissioner Jeff Wright, Flint City Council members and EFM Ed Kurtz about Flint/Genesee County being DWSD's largest customer. We often speculated about how DWSD services and prices would be affected by the bankruptcy and their own adopted cost-cutting plans but I don't recall these topics coming up in negotiations and discussions with DWSD. For example, Flint was requesting a seat on the DWSD board as part of discussing a new long-term contract. DWSD offered a role in the existing technical committee. There were not discussions about a new authority or governance structure with DWSD.



**U.S. House of Representatives  
Committee on Oversight and Government Reform  
Examining Federal Administration of the Safe Drinking Water Act in Flint, MI,  
Part II  
Tuesday, March 15, 2016 at 10:00 a.m.  
2154 Rayburn House Office Building**

**TESTIMONY OF DAYNE WALLING, FORMER MAYOR OF THE CITY OF  
FLINT, MICHIGAN**

Submitted March 11, 2016

Dear Mr. Chairman Chaffetz, Mr. Ranking Minority Member Cummings and the U.S. House of Representatives Committee on Oversight and Government Reform:

Thank you for the opportunity to present testimony and to be invited to the hearing titled, "Examining Federal Administration of the Safe Drinking Water Act in Flint, MI, Part II." The drinking water crisis in Flint is a catastrophe that has had, and continues to have, a devastating effect on our families, our most vulnerable children and seniors, our schools, neighborhoods, businesses and the entire community. Flint is a strong city and I know it will survive and with the right support it will thrive, but it never should have suffered in this situation. As a father raising my own family in Flint, I am deeply concerned for the children and all people who have been affected. It is important that support and opportunities are provided to Flint's residents, the damaged public infrastructure systems, and the community as a whole. I appreciate the Committee's efforts to identify what went wrong and why.

Tragically for our community there were opportunities missed and dismissed that would have averted the water crisis. The recommendations I made, along with the Flint City Council and many other elected officials, community and faith leaders and activists were discounted by the emergency managers and Governor Snyder going back more than a year. The State's focus on balancing the City's books and choosing low cost over human consequences created more expensive public problems, as state and federal regulators did not fully address the issues along the way. While the decision to use Flint River water was reversed and Flint reconnected to the Detroit system in October 2015, there is a great deal of work left to be done to respond to the health needs of the community's residents, to repair the infrastructure, and to rebuild the trust of the people. The following are facts, observations, and actions taken relevant in understanding the Flint water crisis and the role of the city, state, and federal governments as well as the community at large.

**Background on Flint**

Flint is a strong city with a proud heritage of economic innovation and educational excellence, of historic successes in community and labor organizing, and of amazing athletics, arts and culture. Growing up in Flint and attending Flint's public schools, I saw

the promises and the problems in my hometown going back to the 1980s. When I came into office at the bottom of the recession in August 2009 through a special election, the unemployment rate in the City of Flint was 29.9%. Crime was rising. Foreclosures were rising. Property values were falling. The conditions in the community put severe strain on city services even as public resources were declining. I pledged to transform Flint into a sustainable 21<sup>st</sup> Century city with new jobs, safe neighborhoods, great schools and opportunity for all.

As a community in hundreds of meetings structured through the neighborhood action and comprehensive planning process, we talked about how this would require a long-term approach because meeting our goals required a fundamental shift in economic development, education, land use, transportation and infrastructure systems as well as organizational change and smarter management. At the same time, Flint was faced with ongoing fiscal stress. When I came into office, the City had a twenty million dollar structural deficit and forty million in lawsuits from the prior administration, while also receiving higher bills for health care and pensions for workers and retired city employees. Regardless of the budget challenges, I worked to increase opportunities for youth and seniors, to make city services more efficient, to enhance economic and community development, and to move towards a balanced budget in a responsible manner. I was re-elected to a full four-year term in November 2011 and on that same day Tuesday November 8<sup>th</sup> at 5pm, Governor Rick Snyder announced that an emergency manager was to be appointed, which moved decision-making authority away from the local elected officials. I served as mayor through November 2015 after losing a second re-election bid to now Mayor Karen Weaver.

### **Emergency Financial Managers in Michigan**

One of the major flaws that has become apparent with the Flint water crisis is that putting control of local and state governments at the Governor's desk, effectively melding the local and state governments into one unit, takes away the natural checks and balances of our federal-type democratic design and regulatory system and also minimizes the voices of the citizens by placing control so far away from the community. The emergency financial managers were appointed by Governor Snyder, and of course all of the State department heads, such as the State Treasurer and the director of the Michigan Department of Environmental Quality (MDEQ), all reported to the Governor as well.

Governor Snyder came into office in January 2011 when hundreds of Michigan municipalities and school districts were dealing with the fiscal stress described by Michigan State University Professor Dr. Eric Scorsone's report on "Long-Term Crisis and Systemic Failure: Taking the Fiscal Stress of America's Older Cities Seriously, Case Study: City of Flint, Michigan" released in September 2011. The report highlights that: "The causes leading to chronic fiscal stress are both internal and external. While the City can do some things to manage its fiscal stress, the revenue structure does not provide a means to solve the fiscal stress. Long-term problems will require long-term solutions at both the state and local level."

Governor Snyder and the State Legislature chose to address the financial stress in local governments and school districts with a State takeover system. This was a policy choice of austerity and other alternatives existed. For example, the Michigan Municipal League commissioned a review by Plante Moran that showed how reversing disproportionate cuts to state-shared revenue payments and providing local governments and school districts with greater financial tools would have more than offset the deficits facing Michigan's cities.

In Flint, it is important to understand that since November 2011, the City has been controlled in an unusual way due to the appointment of emergency financial managers and a Receivership Board by Governor Rick Snyder. The current law, known as Public Act 436, is specific on the point:

Sec. 9. (1) (2) "Upon appointment, an emergency manager shall act for and in the place and stead of the governing body and the office of the chief administrative officer of the local government. The emergency manager shall have broad powers in receivership to rectify the financial emergency and to assure the fiscal accountability of the local government..."

After many further sections of special authorities granted to emergency managers that are not available to elected officials, the law reiterates:

Sec. 12. (2) "...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the emergency manager."

According to the takeover system for Flint, for nearly 4 years, I didn't sign purchasing resolutions, adopt budgets, or take personnel actions for the City of Flint. The emergency managers made the decisions in coordination with the Michigan Department of Treasury, State Agencies, the Governor's Office, and Governor Rick Snyder.

#### **Switch to the Flint River**

For more than 40 years, Flint had received its treated water from Detroit. The switch to the Flint River was started by Emergency Manager Ed Kurtz in June of 2013 when a contract was signed with an engineering firm (EM resolution 2013EM140 dated 6/26/2013) to design the upgrades necessary at the Flint Water Treatment Plant to treat and distribute water from the Flint River. The directors of the city's departments of public works and finance recommended this change to the emergency manager after the Michigan Department of Environmental Quality's determined it was feasible for an interim supply. I was not involved in any of these discussions about switching to the river. A biennial budget was also adopted by the emergency manager in June of 2013 that reflected the costs of the switch (EM Order No. 13 dated 6/26/2013). We learned later that the lowest cost options in treatment design, which were allowed by MDEQ such as not installing an activated carbon filter or including phosphate corrosion control, subjected Flint residents to health threats including lead and trihalomethanes.

These same decisions would not have been made by City Council. When the manager's decisions became known, I expressed my concerns internally about the switch including the community's perception of the river as polluted, the short timeline to accomplish such a critical change in a vital public service, and the limited staff capacity and inexperience that Department of Public Works leadership had with running a full-time water treatment plant.

The decision in June of 2013 to switch to the Flint River was contrary to the water plans and financial forecasts provided to me and the Flint City Council in March of 2013 when we were requested by the emergency financial manager to guide his decision on the long-term options for Flint's water supply. The two options for bringing water from Lake Huron to Flint were: a new contract with the Detroit Water and Sewer District (DWSD) or a contract with the new Karegnondi Water Authority (KWA). In the case of utilizing KWA, the financial projections provided to us as local elected officials showed the City of Flint staying on the Detroit system until 2017 by which time the new KWA pipeline was expected to be operational. Myself and the Flint City Council expressed support for a water supply contract with KWA. I provided a resolution to the emergency manager. City Council voted 7-1. This was the right decision for the City of Flint. Unlike the Detroit system that charges for distance and elevation from their system and also has annual rate increases, the KWA is a cooperative model with a fixed and flat rate for all of the participating communities based on usage only—and both sources are Lake Huron.

Contrary to the facts, Governor Snyder's office and former Emergency Manager Darnell Earley have stated and repeated blatantly false claims that I and the Flint City Council made the switch to the Flint River. Darnell Earley was the City Manager in Saginaw in 2013 until later in October—he was not working in Flint when the initial switch, treatment design and budget were decided upon. In the emails that have been released, the Governor's Urban Initiatives director knew the truth and sent an email that stated City Council did not vote on the use of the Flint River. Nevertheless, the Chief of Staff signed off on former EM Earley's controversial op-ed column in October 2105 which insinuated political motives for stating what actually the truth of the matter was: the emergency managers and the State decided to switch Flint to the river. This follows a pattern of deflection by the State in regards to responsibility for Flint's water problems that has become apparent in seeing the exchanges taking place among State employees through the release of the Governor's office and State agency emails.

In fact, the Flint City Council voted to go back to Detroit Water in March 2015. The vote was symbolic as only the emergency manger could make that decision, but it shows the intention of the Flint City Council at the time. The City Council's action was responded to by the emergency manager who called it incomprehensible and State officials later approved the emergency manager signing a loan contract with the State of Michigan Treasurer in April 2015 that took away the local option of the City switching back to Detroit water as a condition of receiving the funds to eliminate the remaining deficit and come out of full state control.

## **Initial Water Problems and Assurances**

The switch to the Flint River took place in April 2014. Following assurances by the City's public works director about MDEQ permitting the distribution of Flint water and stating that it would be comparable to Detroit water, I chose to participate in the ceremonial closing of the valve to the Detroit System. However, there were issues with Flint water early on and there were complaints by citizens. There were repeated assurances from the MDEQ and City public works leadership about the Flint water meeting the standards. I trusted the assurances at the time but they proved to be false as the Michigan Department of Environmental Quality admitted in October 2015.

Throughout the process, the questions being raised by EPA officials about Flint's water were not accurately addressed by the Michigan Department of Environmental Quality and they were not investigated as they should have been. The actions that I took and statements that I made as mayor were based on my understanding of Flint's water system at each point in time. Now I know that information was withheld from us as local elected officials and in the community and the true risks were not acknowledged until later. At each time, however, for every issue that I was aware of, I was diligent in working to get solutions in place—even when appointed emergency financial managers were in control and later when their orders remained in effect and altered the normal operations and accountability in city government which continues until the present.

Before the lead poisoning was recognized, the focus of the water crisis was the high level of trihalomethanes (TTHMs) which was a violation of the Safe Drinking Water Act, and problems with boil water advisories, discoloration, odors, and hardness. Throughout the summer and fall of 2014, Flint had a high number of water main breaks and infrastructure breakdowns. At the same time, the water tested extremely high for TTHM. I learned about the TTHM problem in late October 2014 at a meeting with City and MDEQ officials and was assured that the levels were already down but the averaging of quarterly test results would require a public notification, which was being prepared.

The TTHM problems raised more concerns about the overall water system's health and the lack of transparency to residents and customers. A review of the treatment system by Veolia was put in place by the emergency manager and I expressed my support for this action, as well as for the establishment of technical and community advisory groups. I also advocated for full transparency in test results being made public for Flint and all communities in Michigan.

Throughout this time, my office was being contacted by concerned citizens and I was talking with residents and trying to find answers and solutions to their problems. As a mayor, I was at the intersection of hearing from the people and hearing from the regulatory officials and City public works leadership. Many active Flint citizens were persistent and we owe a debt of gratitude to them for continuing to advocate. At the time, I considered all of the information I was receiving and I pushed for action to address what I knew. For example, with Leanne Walters' residence, I was aware of her concerns from

meeting and understood it was because of a very long lead service line put in before the area was developed as a residential neighborhood. I requested the line to be replaced at the City's expense.

While Flint was still under appointed emergency managers, I developed a comprehensive water plan to address safety, quality, access, affordability, investment, and education. On January 18th, I sent a letter to Gov. Rick Snyder outlining the following plan with the unanimous endorsement of the Flint City Council:

#### **Safety & Quality**

- 100% Safety is the standard
- City of Flint releases testing data to assure safety and expands testing to households with support from the Michigan Department of Environmental Quality
- Provide filters to all Flint households through community partnerships
- Bring on experienced river water treatment operational management in the City of Flint
- Require water testing data to be released quarterly by law in all Michigan communities

#### **Access**

- Announce an amnesty program for turn-ons and reduce the turn-on cost in Flint
- Develop a revised payment plan policy to allow customers to come back on to the Flint system
- New Federal and State partnership to establish new Drinking Water Emergency Assistance Fund for customers (modeled on Federal and State energy utility programs: Low Income Home Energy Assistance Program; Michigan Energy Assistance Program; State Emergency Relief)

#### **Investment**

- Accelerate water system improvements outlined in the City of Flint Capital Improvement Plan through Federal and State Investments
- State approves City of Flint's Distressed Cities Fund applications
- Federal and State forgiveness of payment to Drinking Water Revolving Loan Fund
- Federal and State financing for future improvements
- City Water Department implements budgeted FY15 projects including leak detection, valve repairs, new pipes and meter replacements

#### **Education**

- Develop a community partnership to provide household and business customers with information on testing and conservation
- Ongoing partnership with Michigan Department of Human Services, United Way, Salvation Army and community organizations to provide information on water assistance

- Expand youth energy initiative to assist households with conservation and efficiency (piloted in summer 2014 with Northwestern High School students, EcoWorks and Consumers Energy)

At this time in January 2015, the Emergency Manager Jerry Ambrose was well aware of numerous citizen complaints about water safety and quality. It was another missed opportunity that more was not done at this stage to seriously address Flint's water problems in a comprehensive manner. One email from the Governor's policy director characterized my letter to the Governor and request for him to personally visit Flint as politically-motivated. Given the structure of decision-making in Flint under Public Act 436 and the Governor's appointment of an emergency manager, asking the Governor for assistance was truly the only option available to me at the time to try to remedy the situation in an environment where:

- The emergency managers had control for addressing complaints and how the City would respond.
- The emergency managers had exclusive control over hiring additional help to evaluate the water problems, such as experts or consultants.
- The public works director hired by the emergency manager continually emphasized that the water was safe.
- And the State of Michigan told us it was safe.

The January 2015 request to Governor Snyder for \$20 million in financial assistance to improve Flint water and reduce the cost burden on customers, along with recommended policy reforms to ensure transparency in all drinking water systems in Michigan resulted in Flint receiving only \$2 million in grants and was authorized to shift one loan payment.

Flint also received expertise from the U.S. Environmental Protection Agency that was provided after my letter in February 2015 to White House Department of Intergovernmental Affairs Director Jerry Abramson to request technical support from the White House to address the ongoing water issues in Flint. The EPA Region 5 Administrator Dr. Susan Hedman became the point of contact. My intention was to have a double-check on the information coming from the MDEQ, the emergency managers and the City personnel who reported to them. EPA experts joined the advisory groups. I am disappointed now that the EPA did not do more to assist us in Flint and that reassurances about the review process were made when there were warning signs noticed by EPA staff back to the beginning of 2015. For instance, I asked Dr. Hedman about the internal memo from Del Toral when it was shared with the Michigan ACLU in June 2015. She explained that the review process was proceeding and the City would be notified through the MDEQ of any new requirements. This was another missed opportunity to correct the problems sooner. In retrospect, it is clear that information was being parceled out before it reached those of us elected officials and community members in Flint even after the emergency managers were not in place.

## Lead Crisis

In September of 2015, more alarms were going off with Dr. Edwards' research and I was horrified when I learned about the spike in childhood lead poisoning. After a year of attempting to address the known problems of an aging infrastructure and main breaks, adjusting the water treatment process, installing a carbon filter, and making staffing changes, the water crisis became even more serious. As you know, Dr. Mona Hannah Attisha and other members of Flint's medical community conducted an independent review of blood lead level test results at Flint's public hospital, Hurley Medical Center in September 2015 as a follow up to Dr. Marc Edward's water research--which had already prompted me to add a \$10 million request to the Governor and the State in order to replace lead service lines for the most affected and most vulnerable households. Unfortunately, there is a pattern of Flint being discounted time and again. Not only did the State initially dispute the data on childhood blood lead levels, the community's demand for replacing lead service lines is not being met still today, six months later.

Despite the resistance from the State, I took further action by issuing the Lead Advisory from the City of Flint in coordination with the Genesee County Chief Public Health Officer to ensure the public knew about the risks of lead in the water and how to minimize exposure with filters and testing. A few days later the County issued a declaration of a Public Health Emergency. This was all done locally despite misinformation continuing to be released from State agencies in coordination with the Governor's office.

Once the lead poisoning was acknowledged by the State, Michigan Department of Environmental Quality Director Dan Wyant and I agreed that the fastest way to get optimized corrosion control into Flint's system was to reconnect to Detroit. The first concrete proposal the State would agree to was for the \$12 million/9 month service cost to be shared 50% by the State and 50% by the City of Flint with a possible partial off-set by the C.S. Mott Foundation. This put too much burden on us in Flint and I demanded more. In the final agreement, the State contributed \$9 million, 75% of the cost. This continued to add to the extreme hardships faced by Flint's families and the City--but the Governor required Flint to pay part of the cost in order for him to seek State Legislative support for an appropriation and this change could not be delayed. The agreement was put into place following Flint's Water Technical Advisory Committee determining that indeed the most important next steps to minimize further lead exposure was to switch back to Detroit's water supply.

A few weeks later, I was stunned when the Michigan Department of Environmental Quality announced in October 2015 that the standards in the Safe Drinking Water Act and Lead and Cooper Rule were not properly applied in Flint from the beginning of the use of the Flint River for our city's drinking water because there were repeated assurances that the same standards were followed in Flint, as in all Michigan communities. From before the switch was made until that time, all of the assurances were that Flint's water met the same standards as every other water system in the state and myself and other local officials had echoed those same claims--without knowledge of



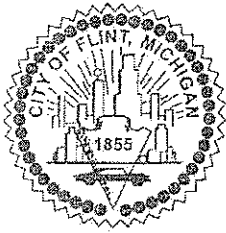
how information and risks were being concealed by those who were in federal and state regulatory positions and knew the problems were greater than had been acknowledged to us.

We know now that Flint's water was not meeting the same standard as it relates to corrosion control and lead and this resulted in the poisoning of so many people, especially young children. The aging infrastructure and the lead service lines played a role in the crisis, yet it was the underlying problem of not requiring optimized phosphate corrosion control from the beginning that caused significant risks to health and human development and likely substantial damage to the water pipes.

### **Further Assistance for Flint**

Lead and other legacy infrastructure problems are a challenge for many older communities across Michigan. Addressing the severe health and infrastructure challenges in Flint will require far-reaching state and federal partnerships. The new costs cannot be shifted back to Flint's taxpayers and the community. This is a large and complicated issue, but Flint must have a safe, secure and affordable water system. I am pleased to see a modicum of progress, although more needs to be done to provide health services, to fix the pipes and to compensate customers. It is my hope that federal, state, community and private partners will all work together to address the needs being identified by community leaders and elected officials who are continuing to work diligently on behalf of Flint. I am also grateful for the outpouring of support for Flint from people and organizations across the country.





## CITY OF FLINT

**Dayne Walling**  
Mayor

September 14, 2015

The Honorable Rick Snyder  
Governor, State of Michigan  
P.O. Box 30013  
Lansing, MI 48909

RE: Call for Additional Support for Flint Water Improvement Plan

Dear Governor Snyder:

On behalf of the Flint community, I am writing with a renewed request for additional support to address Flint's water challenges to ensure that water is affordable and secure for everyone in Flint especially our vulnerable populations. I am asking for an additional \$30 million in funds for Flint's infrastructure and a new healthy homes initiative.

Significant progress has been made throughout this year to increase water safety and quality and I thank you for the involvement of your office, the Michigan Department of Environmental Quality, and the Michigan Department of Treasury. A majority of items in the Water Improvement Plan are completed or underway. Most importantly, Flint is now in compliance with the Safe Drinking Water Act due in large part to the installation of the new carbon filter. The infrastructure systems are being made more secure and efficient through the State grants. Now the City is committed to following the recommendation of the Michigan Department of Environmental Quality to optimize the treatment process, reduce corrosion and further minimize risks from lead.

The need to accelerate the City's capital improvement investments remains and has been further increased by the continued financial stress and legal issues. Previously I requested support for replacement or forgiveness of payment to the Drinking Water Revolving Loan Fund due to Flint's status as a distressed community and the gap in funding in the adopted capital improvement plan. I understand that the existing federal law does not allow the existing Drinking Water Revolving Loans that Flint is carrying to be forgiven in retrospect but the need still exists. Flint owes approximately \$20 Million. One solution is for the State to grant a new \$20 Million that is designed as forgivable from the start. Another solution is to provide

The Honorable Rick Snyder  
September 14, 2015  
Page 2

equivalent funding through an expansion of the grant program to Michigan's Financially Distressed Cities, Villages and Townships with a supplemental budget amendment in cooperation with the State Legislature.

The community's heightened concern about lead leeching into the water from old service lines and home plumbing also needs to be addressed. We know that lead is an environmental contaminant and there have been many programs in place over the years to address sources in paint and pipes. Flint needs a new healthy homes initiative specifically focused on lead in water with \$10 Million to start the process of replacing service lines for the most vulnerable households. Regardless of the source and treatment of Flint's water, this long term threat of lead in pipes needs to be removed in the interest of public health.

My approach continues to be to work with you and your appointed officials, State Senator Ananich, State Representatives Phelps and Neeley, Congressman Kildee, community groups, businesses, churches, foundations, the Flint City Council, and all of the City of Flint and State and Federal government personnel. We need every available expert and resource to address Flint's water problems.

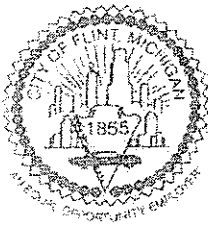
Flint's safety is my top priority. Just as the City and State have worked together on public safety, we need additional support for fixing the water problems. We need \$30 Million in new funds to repair and update the city-wide infrastructure and to assist households in becoming lead-free. The entire Flint community deserves sustainable, safe, secure and affordable water now and into the future. Thank you for the consideration Governor and I look forward to future discussions.

Sincerely,



Dayne Walling  
Mayor, City of Flint

CC: Flint City Council President Joshua Freeman; Congressman Dan Kildee; State Senator Jim Ananich; State Representative Sheldon Neeley; State Representative Phil Phelps; EPA Regional Administrator Dr. Susan Hedman; Chief of Staff Dennis Muchmore



## CITY OF FLINT

Dayne Walling  
Mayor

January 18, 2015

The Honorable Rick Snyder  
Governor, State of Michigan  
P.O. Box 30013  
Lansing, MI 48909

**RE: Flint Water Improvement Plan**

Dear Governor Snyder:

On behalf of the Flint community, I am writing to convey serious concerns about water quality and to request your support for my proposed Flint Water Improvement Plan. Access to safe and clean water is a basic human right, and, therefore, policy and budget decisions need to ensure that water is affordable and secure for everyone in Flint and all across Michigan. It is essential there is City, State and Federal cooperation to address the challenges here and to meet the needs of vulnerable populations.

The Flint Water Improvement Plan is focused in five areas: safety, quality, access, investment and education. The plan puts safety and quality first because this is fundamental. It is designed to be a sustainable solution for the City of Flint and the community as we move towards a new permanent water supply from Lake Huron through the Karegnondi Water Authority. My plan offers new ideas and also builds on successful models of utility, energy and assistance programs at the State and Federal levels.

Safety & Quality

- 100% Safety is the standard
- City of Flint reports testing data to the public to assure safety and expands testing sites and frequency
- Bring on experienced river water treatment operational management in the City of Flint

Access

- Announce an amnesty program for Flint water service turn-ons and reduce the turn-on fee
- Develop a revised affordable payment plan policy to encourage customers to return
- Design Federal and State partnership to establish new Drinking Water Emergency Assistance Fund for the elderly and vulnerable families

Investment

- Accelerate water system improvements outlined in the City of Flint Capital Improvement Plan through Federal and State Investments
  - State approves City of Flint's Distressed Cities Fund applications

- Federal and State support for replacement or forgiveness of payment to the Drinking Water Revolving Loan Fund due to Flint's status as a distressed community
- Federal and State grants for infrastructure improvements in alignment with the Flint Master Plan
- City Water Department implements budgeted FY15 projects including leak detection, valve repairs, new pipes and meter replacements

#### Education

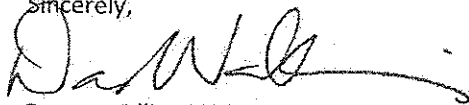
- Develop a community partnership with universities to provide household and business customers with information on testing and conservation
- Ongoing partnership with Michigan Department of Human Services, United Way, Salvation Army and community organizations to provide information and water assistance with the Keep the Water Flowing Fund and support services
- Expand youth energy initiative to assist households with conservation and efficiency (piloted in summer 2014 with Northwestern High School students, EcoWorks and Consumers Energy)

It is also critical to restore the public confidence in Flint Water. The implementation of this plan must be accompanied by extensive community engagement including local elected officials. My objective is to work with you and your appointed officials, State Senator Ananich, State Representatives Phelps and Neeley, Congressman Kildee, community groups, businesses, churches, foundations, the Flint City Council, and all of the City of Flint and government personnel.

It is imperative that we communicate better and provide residents more information. I understand representatives from the Michigan Department of Environmental Quality will be joining a public forum this week at City Hall. This engagement going forward is vital so thank you for supporting their efforts. I think this issue of transparency is important for communities all across the State. I recommend a review of the applicable laws and policies and, at a minimum, a new requirement that water testing data be reported publicly no less than quarterly by law in all Michigan communities in Flint's population category.

Thank you for the consideration Governor. There is nothing more important in Flint right now than fixing the water problems. We must work together to identify funds to repair and update the water treatment facilities and city-wide infrastructure and to help those persons without access to clean water so that the entire Flint community has sustainable, safe, secure and affordable water now and into the future. This is an important issue for the state of our State of Michigan and I urge you to work with us to implement solutions.

Sincerely,



Dayne Walling, Mayor  
City of Flint

CC: Flint City Council President Joshua Freeman; Congressman Dan Kildee; State Senator Jim Ananich; State Representative Sheldon Neeley; State Representative Phil Phelps; Flint Emergency Manager Jerry Ambrose

**ORIGINAL PROJECTION**  
**SUMMARY COMPARISON: KWA V DWSD**

**Water and Sewer Cash Flow with KWA**

	Year 1 FY13	Year 2 FY14	Year 3 FY15	Year 4 FY16	Year 5 FY17	Year 6 FY18	Year 7 FY19	Year 8 FY20
Current DWSD & FWTP Costs	\$ 14,413,858	\$ 15,355,135	\$ 16,365,534	\$ -	\$ -	\$ -	\$ -	\$ -
KWA Entry Fee	\$ 1,162,800	\$ 581,400	\$ 581,400	\$ -	\$ -	\$ -	\$ -	\$ -
KWA Debt Service	\$ -	\$ -	\$ -	\$ 6,593,155	\$ 6,593,155	\$ 6,593,155	\$ 6,593,155	\$ 6,593,155
FWTP Debt Service	\$ -	\$ -	\$ -	\$ 572,781	\$ 572,781	\$ 572,781	\$ 572,781	\$ 572,781
KWA operations	\$ -	\$ -	\$ -	\$ 878,869	\$ 922,812	\$ 968,953	\$ 1,017,401	\$ 1,068,271
FWTP operations w KWA	\$ -	\$ -	\$ -	\$ 6,843,344	\$ 7,185,511	\$ 7,544,787	\$ 7,922,026	\$ 8,318,128
Total Costs	\$ 15,576,658	\$ 15,936,535	\$ 16,946,934	\$ 14,888,149	\$ 15,274,260	\$ 15,679,676	\$ 16,105,363	\$ 16,552,334

**Water and Sewer Cash Flow with DWSD**

	Year 1 FY13	Year 2 FY14	Year 3 FY15	Year 4 FY16	Year 5 FY17	Year 6 FY18	Year 7 FY19	Year 8 FY20
Current DWSD & FWTP Costs	\$ 14,413,858	\$ 15,355,135	\$ 16,365,534	\$ 17,450,717	\$ 18,616,851	\$ 19,870,660	\$ 21,219,435	\$ 22,671,185

**Cash Flow Difference: KWA and DWSD**

	Year 1 FY13	Year 2 FY14	Year 3 FY15	Year 4 FY16	Year 5 FY17	Year 6 FY18	Year 7 FY19	Year 8 FY20
Annual Cost: DWSD - KWA	\$ (1,162,800)	\$ (581,400)	\$ (581,400)	\$ 2,562,568	\$ 3,342,591	\$ 4,190,974	\$ 5,114,072	\$ 6,118,851
Cumulative Gain with KWA	\$ (1,162,800)	\$ (1,744,200)	\$ (2,325,600)	\$ 236,968	\$ 3,579,559	\$ 7,770,533	\$ 12,884,605	\$ 19,003,456

This projection assumes that KWA begins delivery of water to Flint starting in July, 2016. Any interest on the bonds will be capitalized until that period. The City will be obligated to begin paying its \$2,325,600 entry fee in FY13 - 2 payments of \$581,400 in FY13, 1 payment in FY14 and 1 payment in FY15.

(1) The cost of the KWA option is projected to be \$2,562,568 or 15% LESS than DWSD in the first year of operation (Year 4). This gain offsets the upfront costs of \$2,325,600 by \$236,968.

(2) The cost of the KWA option is projected to be \$6.1 million or 27% LESS than DWSD in the 5th year of operation (Year 8).

(3) The cumulative savings by the 8th year from the beginning of the project are projected to be \$19 million.

(4)

[illegible]